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10/772,530	02/04/2004	Alan Tien	2043.150US1	5406

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SCHWEGMAN, LUNDBERG & WOESSNER/EBAY
P.O. BOX 2938
MINNEAPOLIS, MN 55402

EXAMINER	
LE, KHANH H	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
02/26/2009	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

Office Action Summary	Application No.	Applicant(s)	
	10/772,530	TIEN ET AL.	
	Examiner	Art Unit	
	KHANH H. LE	3688	

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *11/12/2008*.

2a)☒ This action is FINAL. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-22* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-22* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *11/12/2008*.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

1. This Office Action is responsive to the correspondence filed 11/12/2008. Claims 1-22 were pending. No claims are added nor cancelled. Thus claims 1-22 are pending. Claims 1, 11, 21 and 22 are amended. Claims 1, 11, 21, 22 are independent.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Following proper amendment of claims 11 and 22, the previous rejection of claims 11-20, and 22 under this section is withdrawn.

4. Claims 1-10 are rejected under 35 U.S.C. 101 because the claimed inventions are directed to non-statutory subject matter.

Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter.

Further, under In re Bilski, 2007-1130, slip op. (Fed. Cir. Oct. 30, 2008), "the machine-or-transformation test is the only applicable test and must be applied, in light of the guidance provided by the Supreme Court and this court, when evaluating the patent-eligibility of process claims." (Id., slip op. at 29).

Here, claim 1 recites:

A method to incentivize a first party to refer a payment service to a second party, the method including:
<u>*using at least one processor to perform at least some portion of the following actions:*</u>
establishing an account for the second party, wherein the account is associated with one of a plurality of bonus programs and wherein the account is further associated with the first party;
receiving a payment to the account for the second party; and
automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account.

Here, a processor is recited (tie to a machine test), however using it to perform "some portion" of a step is deemed using the processor in insignificant extra activity, that will not transform an unpatentable principle into a patentable process. (see similar analysis in *Bilski,* slip op. at 16). In other words, under present understanding of 35 USC 101, the machine's involvement should be central to the purpose of the claimed method and there should be a nexus between the machine and the steps so that it is a specific application of the underlying fundamental principle. Here using a processor to perform "some portion" of a step can be e.g. using a processor phone to call the bank to inquire about establishing an account by the 2nd party which is not a specific application of the inventive underlying fundamental principle.

Here, for example, if the central part of the invention is receiving a payment to the account for the second party; and automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account, at least these main steps should be claimed "using a computer" or like language. Likewise, if the main step of the invention is establishing an account for the second party, wherein the account is associated with one of a plurality of bonus programs and wherein the account is further associated with the first party, at least the (implied) associating steps should be claimed as "using a computer" or like language.

Also the claim fails to meet the above 2nd requirement of physically transform underlying subject matter (such as an article or materials) to a different state or thing.

Claims 2-10 suffer from the same defect. (Note: Claim 10 can be interpreted as a tender by electronic payment, which is not a physical transformation nor tied to another statutory class of invention).

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 11-20 and 22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 11: First, "using" in a system claim is improper mixing statutory classes.

Second, even if modules are to be inferred as stored in a processor, as argued, " to execute ..." is a statement of intended use only, i.e. Applicant is really just claiming the processor, not the particular modules i.e. the required structure.

Third, despite the addition of a processor to execute, as stated earlier, one skilled in the art would understand modules as software and it seems like these modules are hanging in space, they are not claimed as stored in any memory. Thus the issue is how does the processor execute such modules. In other words the structural elements of the system are not properly claimed. Applicants arguments are not persuasive as they amount to asking that limitations be read into the claims.

Claims 12-20 are rejected based on their dependency.

Claim 22: “using” in a system claim is improper mixing statutory classes. Further, it's not clear if “means” are software only thus the scope of the claim is not clear. See 35 USC § 101 discussion above. Clarification is required.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Perri, US 2001/0020231 in view of Official Notice and further in view of Warren, US 20030101131.

Claims 1-3, 8, 11-13, 18, 21, 22:

Perri US 2001/0020231 discloses computer assisted multi-level marketing compensation method wherein a message is sent from a first party to a second party, wherein the message includes a link to a processor (at which second party can sign up for a service) and the link has the first party identifier so the first party can be automatically compensated for specified activities of the 2^{nd} party (see abstract, [0072], [0077]-[0079]). The referral message can be an

email with links or a link on an ad banner posted on the website of a referring party (Figure 11, [0077]). Perri discloses the compensation of 1st party is for the 2nd party signing up to open an account (which can be an affiliate account, a shopping account or other service account, see [0079]).

Perri discloses the compensation of 1st party is for the 2nd party signing up to open a account (which can be an affiliate account, a shopping account or other service account, see [0079]) but Perri does not specifically disclose the compensation of 1st party is for the 2nd party signing up to open a payment account.

However giving finder's fee for referring another to open a financial account is well-known. (See e.g. Hajdukiewicz which discloses (col. 7 lines 30-35) finders fee for a referrer of a client who opens credit card account (i.e. reads on a "payment account" since this term is not specifically defined in the specification)).

Thus it would have been obvious to a person having ordinary skill in the art at the time the invention was made (herein a "PHOSITA") to add the teaching of rewarding the finder of a new customer for a financial account to Perri to extend Perri's marketing scheme to financial accounts.

Perri and HAJDUKIEWICZ further do not disclose a particular bonus program associated with the payment account among plural bonus programs.

However, Warren discloses a website for a potential reward recipients (e.g. account holder) to customize desired rewards features, such as criteria for earning rewards, methods of redeeming rewards, and types of compensation (abstract, [0004],[0047], [0065]). (For example, rewards could be hotel, travel or shopping points, such as United Airlines miles or Marriott points, or cash, or merchandise. Payout conditions may be based on specific performance. Methods of redeeming awards may include automatic redemption at a predetermined event, e.g., a number of points earned, or customer initiated redemption. See [0065]).

Thus it would have been obvious to a PHOSITA to add Warren's teaching of giving a choice of reward plans to the Perri and HAJDUKIEWICZ system, and give such choice to the Perri's 1st party, to satisfy her.

It would further have been obvious in that case to associate the particular bonus program (for the benefit of the 1^{st} party) with the account of the 2^{nd} party so effect the rewards scheme, i.e. properly pay the 1^{st} party according to her choice of rewards. It would also have been obvious to associate the 2^{nd} party account identifier and the bonus program identifier to the 1st party identifier (which identifies to 1^{st} party) so that the 1^{st} party can be automatically paid upon the required performance of the 2nd party (as taught by Perri).

Thus Perri, in view of Hajdukiewicz and Warren, as above discussed, disclose:

A system, machine readable medium storing a set of instructions to execute a method to incentivize a first party to refer a payment service to a second party, the method including:

establishing an account for the second party, wherein the account is associated with one of a plurality of bonus programs (interpreted as bonus programs that the 1st party can sign up for) and wherein the account is further associated with the first party;

receiving a payment to the account for the second party (Perri alone, see response to argument below, or Perri in view of Hajdukiewicz);

wherein the first party is eligible to participate in a plurality of bonus programs (further in view of Warren).(<u>Note:</u> this is also limitation of claims 8 and 18).

and automatically awarding a payout to the first party based on the payment to the account for the second party (Perri in view of Hajdukiewicz) and on the bonus program that is associated with the account (further in view of Warren).

wherein the establishing of the account further includes associating a first identifier with the first party (per Perri) and a second identifier with the bonus program (per Warren) wherein the second identifier is utilized to identify the bonus program from the plurality of bonus programs (Warren).

Claims 4 and 14:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above and Perri discloses communicating the first identifier to the second party via the

first party so the 1st party can be paid (i.e. reads on the first identifier is utilized by the second party to establish the account).

However Perri, in view of Hajdukiewicz and Warren do not specifically disclose communicating the second identifier (bonus program ID) to the second party via the first party, wherein the first identifier and the second identifier are utilized by the second party to establish the account.

However, as discussed above, Warren adds to Perri and Hajdukiewicz, satisfying the 1st party by giving her a choice of reward plans. In that case, it would have been obvious to a PHOSITA that the 2nd identifier for the bonus program also would have to be communicated to 2nd party by 1st party so the second party can submit both identifiers when opening his or her account, so 1st party could be appropriately rewarded under her chosen reward program.

Claims 5-6 and 15-16:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above.

Warren further discloses configuring the plurality of bonus programs (programs), wherein each bonus program includes a plurality of payout conditions ([0065]) wherein the plurality of payout conditions is based on an at least one of an eligible volume, a payout rate, a payout period (Warren at [0065] discloses automatic redemption at a predetermined event which reads on for example an end of month thus a monthly payout period), an initial payout, initial hurdle and a maximum payout.

As discussed above, Warren was added to provide satisfaction to Perri's affiliate with rewards choices. Further addition of this known redemption method, as taught by Warren, to Perri, would only yield the predictable result of allowing redemption periodically thus would have been obvious at invention time.

Claims 7 and 17:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above. Perri further discloses wherein the payout includes an at least one of an initial payout (when 2nd party opens an account, 1st party is paid, this reads on an initial payout).

Claims 9 and 19:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 6 and 16 above. Perri further discloses wherein the plurality of bonus programs include an at least one of an unrestricted bonus program (Perri does not put restriction on who can join the affiliate rewards program thus reads on an unrestricted bonus program) and a restricted bonus program.

Claims 10 and 20:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above.

Warren further discloses wherein the payout is tendered in at least one of a plurality of national currencies (this is obvious for Warren's cash reward payments at [0065]). As discussed above, Warren was added to provide satisfaction to Perri's affiliate with rewards choices. Further addition of this known redemption method, as taught by Warren, to Perri, would only yield the predictable result of allowing redemption in cash in the designated currency thus would have been obvious at invention time.

Response to Arguments

9. Applicant's prior art arguments filed 11/12/2008 have been fully considered but are not persuasive. Thus the rejection is maintained. Other arguments *35 USC § 101 and 112, 2^{nd} paragraph* are addressed under the appropriate statutory sections above.

In response to applicant's prior art arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

It is argued, claim 1 requires "automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account."

As stated above, Perri teaches, a referring (1^{st}) party receives credit or compensation for referring a new (2^{nd}) member to a participate in a program, such as the 2^{nd} party signing up to

open an account (which can be an affiliate account, a shopping account or other service account, see [0079]). In Perri, the referral ink has the first party identifier so the first party can be automatically compensated for specified activities of the 2nd party (see abstract, [0072], [0077]-[0079]). (The referral message can be an email with links or a link on an ad banner posted on the website of a referring party (Figure 11, [0077])).

Note: Perri's 2nd party newly registered shopping account (see [0079]) also reads on a payment account where payment is made into since one has to pay a shopping account to shop). Therefore Perri alone, even without Hajdukiewic, already teaches "automatically awarding a payout to the first party based on the payment to the account for the second party".

As to Warren, Applicant misunderstands the use of Warren in the combination of references. Warren is only used to teach that a party which is to be given rewards, can be given a choice of reward types to select from.

Thus, as stated above, it would have been obvious to a PHOSITA to add Warren's teaching of giving a choice of rewards types or plans to the 1st party in the Perri and Hajdukiewicz system for the 1st party satisfaction. As stated above the bonus program (for the benefit of the 1st party) identifier has to be associated with the 2nd party account to properly pay the 1st party according to her chosen bonus program choice.

Thus, contrary to argument, Perri, in view of Hajdukiewicz and Warren, as above discussed, further disclose "awarding a payout to the first party based on the bonus program (for the benefit of the 1st party) that is associated with the account"(that the 2nd party opens).

Conclusion

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to KHANH H. LE whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can normally be reached on Tuesday-Wednesday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James W. Myhre can be reached on 571-272-6722. The fax phone numbers for the organization where this application or proceeding is assigned are 571-273-8300 for regular communications and for After Final communications. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 571-272-3600. For patent related correspondence, hand carry deliveries must be made to the Customer Service Window (now located at the Randolph Building, 401 Dulany Street, Alexandria, VA 22314)..

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

February 14, 2009
/Khanh H. Le/
Examiner, Art Unit 3688

/James W Myhre/
Supervisory Patent Examiner, Art Unit 3688